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Nedgroup Investments Contrarian Value Equity Fund

Quarter Four, 2021

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The following commentary was produced by the sub-investment manager, First Pacific Advisors, LP ("FPA").

USD performance to 31 December 2021	Nedgroup Investments Contrarian Value Equity[1]	MSCI ACWI	S&P 500
3 months	2.96%	6.68%	11.03%
12 months	16.26%	18.54%	28.71%

Overview

The Nedgroup Contrarian Value Equity Fund ("the Fund") gained 2.96% for the quarter and 16.26% for the trailing one-year. The Fund generated 68.8% of the average of the MSCI ACWI and S&P 500's return in the trailing twelve months.

The Fund's performance relative to various indices is captured in the following table:

Exhibit A: **Performance versus Illustrative Indices[2]**

	Q4 2021	2021
Nedgroup Contrarian Value Equity	2.96%	16.26%
MSCI World NR USD	7.77%	21.82%
MSCI ACWI NR USD	6.68%	18.54%
S&P 500	11.03%	28.71%

Portfolio review

The top contributors and detractors to the Fund's returns for the trailing twelve months are listed below.

Exhibit B: **Contributors and Detractors over Trailing Twelve Months[3]**

Winners	Performance contribution	Ave. weight	Losers	Performance contribution	Ave. weight
Alphabet	4.58%	8.77%	Alibaba	-1.04%	1.72%
Broadcom	2.04%	4.18%	Naspers & Prosus	-0.70%	4.09%
AIG	2.02%	4.29%	SoftBank Group	-0.65%	1.37%
Glencore	1.76%	3.35%	Nexon	-0.57%	1.34%
Wells Fargo	1.50%	3.14%	Just Eat Takeaway.com	-0.45%	0.51%

[1] Source: Morningstar (monthly data series). Reflects the net USD return for the Nedgroup Investments Contrarian Value Equity Fund, D class.

[2] Comparison to the indices is for illustrative purposes only. The Fund does not include outperformance of any index or benchmark in its investment objectives. An investor cannot invest directly in an index.

[3] Reflects the top five contributors and detractors to the Fund's performance based on contribution to return for the three months (Q4 2021) through December 31 30, 2021. Contribution is presented gross of investment management fees, transactions costs, and Fund operating expenses, which if included, would reduce the returns presented. The information provided does not reflect all positions purchased, sold or recommended by FPA during the period. It should not be assumed that recommendations made in the future will be profitable or will equal the performance of the securities listed.

Economic recovery and persistent easy money continued to underpin the financial markets, allowing 2020's global stock market rally to continue in 2021 and benefiting certain positions held in the Fund (as much as global stock volatility *temporarily* hurt their stock prices in Q1 2020). The Fund's top five contributors added 11.9% to the Fund's return in 2021, about 3.5x the sum of the top five detractors. Importantly, there was a lack of significant news that impacted the individual investments in the above table.

Exposure to each of the top five contributors was reduced in 2021, as their respective valuations reached levels high enough to warrant a reduction in holding size, but not their complete elimination from the portfolio. We did sell out of four stocks completely in 2021, however. We similarly moved on from these positions largely as a result of valuation, which also drove other changes. Along with the reduction in position size of three financial service companies, we also eliminated our position in Bank of America. The Fund's exposure to travel-related companies was also reduced as a function of selling some of our Marriott International and all of Booking Holdings stakes.

We believe that the portfolio changes in the last year resulted in the exchange of less appealing risk-reward opportunities for more attractive ones. Eight new equities were added in 2021, including a new position in video game stock Activision Blizzard, which joined Nexon to comprise our current sector exposure of 3.3%.

The S&P 500's estimated 2022 P/E is 21.5x, which in its inverse translates to an estimated earnings yield of 4.7%. Given lower stock valuations outside the US, the estimated 2022 earnings yield for the global MSCI ACWI is a higher 5.6%. Contrast this with a 1.5% 10-year US Treasury yield or worse, the 0.07% and -0.09% yields for Japanese and German government bonds.[4]

Assuming positive economic growth over the next decade, we believe the total return potential of stocks should exceed that of bonds, albeit with greater volatility. While volatility satisfies the institutional definition of equity risk, we have a different view. More precisely, risk is losing money, or a permanent impairment of capital, and should not factor in episodic, yet temporary price declines. The Fund's oft-stated goal is to deliver an equity market-beating rate of return over a complete market cycle. The potential discomfort that comes with the ups and downs of the market must be borne if one is to achieve equity market-beating rates of return.

It is not a truism that more invested = more risk. There are different kinds of risk. We believe, for example, that being less invested in risk assets invites the greater risk of inflation eroding the value of your cash or "conservative" fixed income instruments.

The easy money environment since the great financial crisis set the stage for higher inflation. The pandemic has made things worse, impacting both size and availability of the labour pool and causing supply chain disruptions. While one can reasonably argue that domestic inflation in the future will be lower than 2021's 7%, we believe that inflation will likely average higher in this next decade than the preceding one – something that is not currently expected just as last year's rise was not anticipated (Exhibits C and D).[5]

We manage your capital to seek to provide an acceptable real rate of return over time. This requires us to seek to protect our/your portfolio from the diminution of real return that inflation can cause.

[4] Source: Bloomberg, FRED. US, Japanese and German 10-year government bond yields as of December 31, 2021.

[5] Average inflation over the past 10 years (2011-2020) was approximately 1.9%.

***Exhibit C:* US CPI 1965 to 2021**[6]

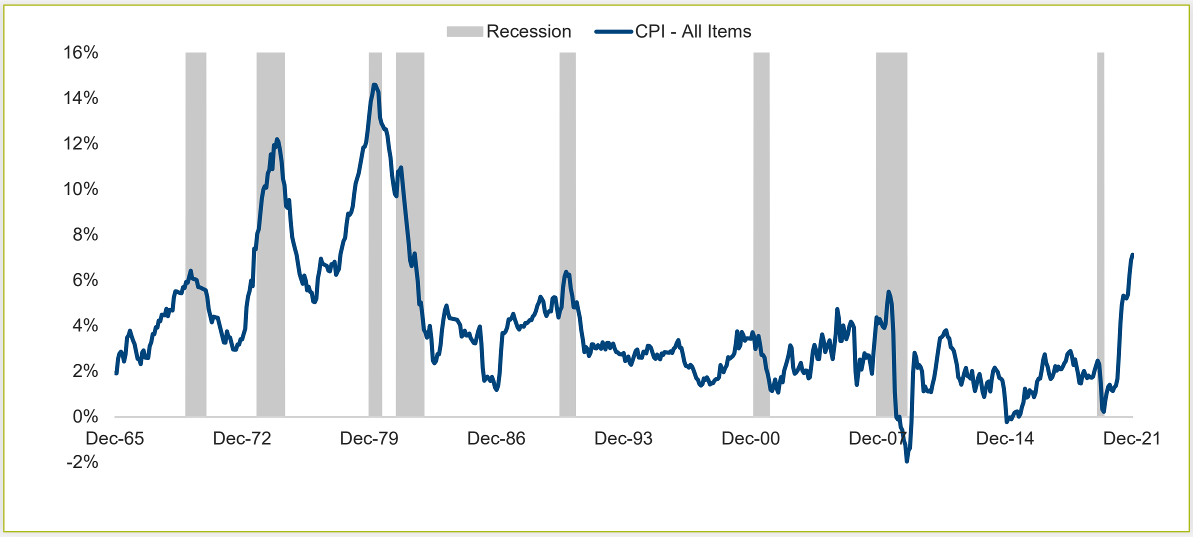
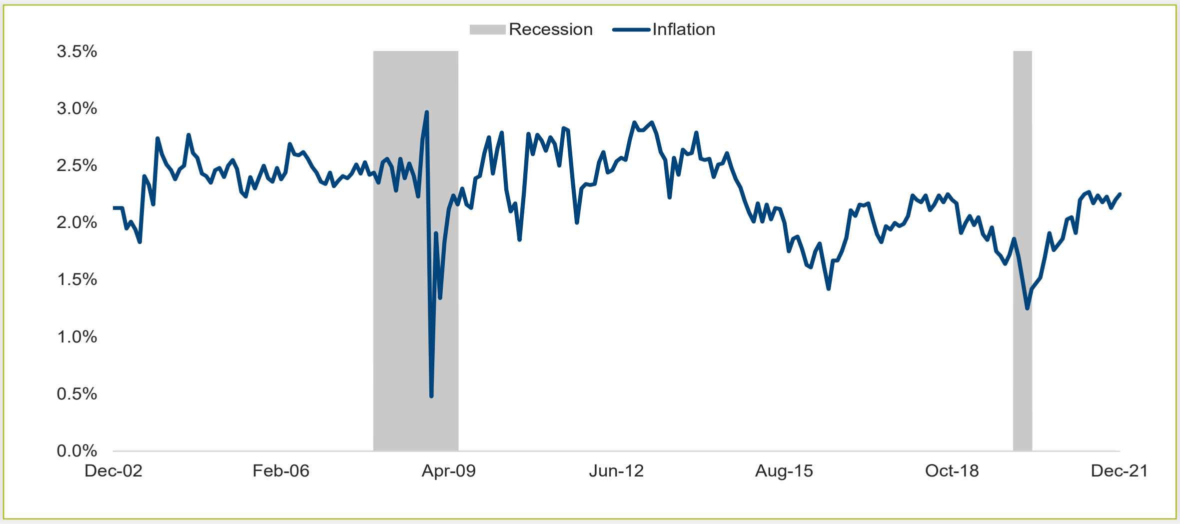


***Exhibit D:* 5-Year Forward US Inflation Expectation Rate**[7]



Portfolio Activity[8]

The Fund increased its positions in one of its investments, made two additional investments, exited two investment, but had no decreases during the quarter. The increase was continued purchases of Open Text Corp. The Fund's newly added positions were Netflix and Uber. The Fund exited its position in Booking Holdings as valuation had continued to rise.[9]

[6] Source: FRED. Chart data covers the period December 31, 1965 through December 31, 2021. *CPI* stands for Consumer Price Index.

[7] Source: FRED. Chart data covers the period December 31, 2002 through December 31, 2021.

[8] The information provided does not reflect all positions purchased, sold or recommended by FPA during the quarter. It should not be assumed that an investment in the securities listed was or will be profitable. Increases and decreases represent securities whose position size changed by at least 25% over the period and represent greater than 0.50% of the portfolio. Any exited position mentioned was fully removed, regardless of its representative portfolio size. Portfolio composition will change due to ongoing management of the Fund.

[9] As of 12/31/2021, the securities mentioned and their corresponding position sizes were as follows: Open Text Corp (1.00%); Netflix (0.34%), Uber (0.70%); and Booking Holdings (0.00%).

Portfolio Profile

There are currently 40 equity positions in the Fund, with the top five holdings comprising 27.9% and the top 10 comprising 47.4% of the portfolio (based on total assets). The top three sectors, based on GICS sector classification, are Communication Services, Financials, and Information Technology, which comprise 61.5% of the total assets of the Fund. The Fund has been able to find opportunity outside of the U.S. and, as a percentage of equity, currently has 40.0% non-US exposure and 60.0% exposure in the US.[10]

Conclusion

We wish we could tell you the Nedgroup Contrarian Value Equity portfolio is as cheap as it has ever been, but given the market and the Fund's strong performance since Q1 2020's market bottom, you know that cannot be true. We have repositioned the portfolio as a function of old opportunities that have come to fruition and new opportunities that we believe offer reasonable prospects for attractive future returns.

We just watched Peter Jackson's The Beatles: Get Back. Although a music documentary, we couldn't help but appreciate how those four young men from Liverpool managed to focus on what they do best and what they wanted to accomplish, despite pressure from others to do some things differently. Your portfolio managers similarly *come together* to concentrate on the long-term, which means shutting our ears to the many cacophonous voices that whisper to us in the short-term.

Best wishes in the New Year and may you and your families be in good health.

Respectfully submitted,

FPA Contrarian Value Portfolio Management Team

[10] '*As a Percentage of Equity'* excludes cash & cash equivalents. Portfolio composition will change due to ongoing management of the Fund.

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Fees are outlined in the relevant Sub-Fund supplement available from the Investment Manager's website.
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Index Definitions

Comparison to any index is for illustrative purposes only and should not be relied upon as a fully accurate measure of comparison. The Fund may be less diversified than the indices noted herein, and may hold non-index securities or securities that are not comparable to those contained in an index. Indices will hold positions that are not within the Fund's investment strategy. Indices are unmanaged and do not reflect any commissions, transaction costs, or fees and expenses which would be incurred by an investor purchasing the underlying securities and which would reduce the performance in an actual account. You cannot invest directly in an index.

S&P 500 Index includes a representative sample of 500 hundred companies in leading industries of the U.S. economy. The Index focuses on the large-cap segment of the market, with over 80% coverage of U.S. equities, but is also considered a proxy for the total market.

S&P 500 Value Index is a subset of the S&P 500 index. Companies within the index are ranked based on growth and value factors including three-year change in earnings price/share, three-year sales/share growth rate, momentum, book value/price ratio, earnings/price ratio, sales/price ratio. The companies at the bottom of this list, which have a higher Value Rank, comprising 33% of the total index market capitalization are designated as the Value basket.

S&P 500 Growth Index is a subset of the S&P 500 index. Companies within the index are ranked based on growth and value factors including three-year change in earnings price/share, three-year sales/share growth rate, momentum, book value/price ratio, earnings/price ratio, sales/price ratio. The companies at the top of this list, which have a higher Growth Rank, comprising 33% of the total index market capitalization are designated as the Growth basket.

MSCI ACWI Index is a free float-adjusted market capitalization weighted index that is designed to represent performance of the full opportunity set of large- and mid-cap stocks across 23 developed and 26 emerging markets.

Consumer Price Index (CPI) is an unmanaged index representing the rate of the inflation of U.S. consumer prices as determined by the U.S. Department of Labor Statistics. The CPI is presented to illustrate the Fund's purchasing power against changes in the prices of goods as opposed to a benchmark, which is used to compare the Fund's performance. There can be no guarantee that the CPI will reflect the exact level of inflation at any given time.

Bloomberg Barclays U.S. Aggregate Bond Index provides a measure of the performance of the US investment grade bonds market, which includes investment grade US Government bonds, investment grade corporate bonds, mortgage pass-through securities and asset-backed securities that are publicly offered for sale in the United States. The securities in the Index must have at least 1-year remaining in maturity. In addition, the securities must be denominated in US dollars and must be fixed rate, nonconvertible, and taxable.

60% S&P500/ 40% Bloomberg Barclays U.S. Aggregate Bond Index is a hypothetical combination of unmanaged indices and comprises 60% S&P 500 Index and 40% Bloomberg Barclays U.S. Aggregate Bond Index.

60% MSCI ACWI/ 40% Bloomberg Barclays U.S. Aggregate Bond Index is a hypothetical combination of unmanaged indices and comprises 60% MSCI ACWI Index and 40% Bloomberg Barclays U.S. Aggregate Bond Index.

Other Definitions

Earnings Per Share (EPS) is calculated as a company's profit divided by the outstanding shares of its common stock. The resulting number serves as an indicator of a company's profitability.

Earnings Per Share Growth is defined as the percentage change in normalized earnings per share over the previous 12-month period to the latest year end.

Market Capitalization refers to the total dollar market value of a company's outstanding shares of stock. Commonly referred to as "market cap," it is calculated by multiplying the total number of a company's outstanding shares by the current market price of one share.

Market Cycles, also known as stock market cycles, is a wide term referring to trends or patterns that emerge during different markets or business environments.

Net Risk Exposure is a measure of the extent to which a fund's trading book is exposed to market fluctuations. In regards to the Fund, it is the percent of the portfolio exposed to Risk Assets.

Price to Book is used to compare a firm's market capitalization to its book value. It's calculated by dividing the company's stock price per share by its book value per share (BVPS). An asset's book value is equal to its carrying value on the balance sheet, and companies calculate it netting the asset against its accumulated depreciation.

Price to Earnings is the ratio for valuing a company that measures its current share price relative to its EPS. The price-to-earnings ratio is also sometimes known as the price multiple or the earnings multiple.

Sum-of-the-Parts valuation is a process of valuing a company by determining what its aggregate divisions would be worth if they were spun off or acquired by another company.

Trailing Price to Earnings is a relative valuation multiple that is based on the last 12 months of actual earnings.

Forward Price to Earnings is a version of the ratio of price-to-earnings (P/E) that uses forecasted earnings for the P/E calculation.

Price to Sales is a valuation ratio that compares a company's stock price to its revenues. It is an indicator of the value that financial markets have placed on each dollar of a company's sales or revenues.

Risk Assets is any asset that carries a degree of risk. Risk asset generally refers to assets that have a significant degree of price volatility, such as equities, commodities, high-yield bonds, real estate and currencies, but does not include cash and cash equivalents.

Standard Deviation is a measure of the dispersion of a set of data from its mean.

Trust Value per Share or Net Asset Value per Share (NAV) – The NAV (Net Asset Value) or Trust Value per Share is generally $10 (the standard offer price per SPAC unit) plus the interest accrued. It is calculated as the Trust Size / Outstanding Redeemable Shares.

Volatility is a statistical measure of the dispersion of returns for a given security or market index. In most cases, the higher the volatility, the riskier the security. Volatility is often measured as either the standard deviation or variance between returns from that same security or market index.